

Director's Message

FUTA Tax Reform - an Issue Long Overdue

By Stephen D. Maas

For years, employers nationwide have been paying much more in FUTA (Federal Unemployment Tax Act) taxes than most of their respective states receive back from the Congress in the form of funding allocations. On average, state workforce agencies such as Utah's Department of Workforce Services have been allocated less than 60 cents for every dollar their employers contribute via their quarterly tax return. Meanwhile, the FUTA tax trust fund increased its balance to over \$30 billion. There are several reasons this happened.

First, in 1976 a 0.2% surtax was

enacted by Congress to retire a \$6.2 billion debt incurred to the FUTA Trust Fund due to the Extended Unemployment Compensation Act which paid extra benefits caused by the recession in the early 1970's. This debt rose to \$8.6 billion before it was finally paid off in 1987. Unfortunately, the Surtax did not sunset and has been re-authorized by Congress 5 more times since. The tax amounts to \$14 of the \$56 paid in FUTA per employee per year, based upon a calculation of the first \$7,000 in earnings annually for each employee on your payroll. It doesn't sound like much, but the \$14 per employee now adds up to about \$1.75 billion per year

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nationwide.

Second, about five years ago the Congress also froze Wagner-Peyser funding to the states to operate their labor exchange functions. Wagner-Peyser along with Unemployment Insurance administrative funds are wholly funded from the FUTA employer contributions. Although we have had increases in both mission and costs, this funding stream has remained at the same level of allocation.

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Employer Business Service Center

Now Open By John D. Williams



On Tuesday, August 22, 2000, the Central Region Council on Workforce Services (CRCWS) hosted an open house to promote the new Central Region Business Services Center located at 1385 S. State, Salt Lake City. The goal of the CRCWS in creating the Central

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Mickey Adams-Grames, CRCWS, Stephen Mass, Cindy Hatch, SLEC Chair, The Principal Financial Group, and John D. Williams, proudly cut the ribbon.

State of Utah
Dept. of Workforce Services

Robert C. Gross, Executive Director

Central Region

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Electronic Access

to Labor Market Information

Have you ever wondered where you can quickly locate basic economic and demographic facts about Utah or its counties? Or about how many persons are employed and in what industries? What about where you can find information about income and wages? Or who the major employers in a given county are?

These are questions that are frequently asked of the economists in the Data Collection and Analysis Unit. In response to these questions a "Fact Sheet" was developed to provide quick and easy access to this basic information. The "Fact Sheets" are updated annually and provide a brief overview of current information about each county as well as for the entire state.

This information is available on-line and easily accessible from our website. The two-page report covers data trends over the last five years for the population and labor force including employment by industry, number of establishments, and payrolls. A section on income and wages provides data about total personal income, per capita income, average household income, and the average monthly wage for all industries. A list of the major employers in the county as well is also provided.

To access the county "Fact Sheets" go to the following address:
http://wi.dws.state.ut.us/Regions/Fact_Sheets.htm and select the county of interest.

We need your input...

The DWS Division of Adjudication is designing a web page (as part of the DWS website) that will include information about Unemployment Insurance appeals and the appeal process.

The Department would like to have input from employers about what they would like to see on this web page. Please e-mail suggestions or comments to: wsadmpo.klink@state.ut.us.

...DWS Director Leads... UI Reform Effort

Robert C. Gross, in his role as President of the Interstate Conference of Employment Security Agencies (ICESA), and Executive Director of the Department of Workforce Services, continued his efforts for Unemployment Insurance (UI) Reform by testifying before Congress in September.

"ICESA leadership supports fully the comprehensive UI and Employment Security (ES) reform package," said Mr. Gross. "It is a balanced package that takes into account the interests of business, labor, states, and federal government. It reflects the very nature of a compromise.... As a whole, however, all of the parties in our workgroup support this package."

The UI system is a federal-state program that provides benefits to unemployed workers with a history of labor force attachment. Every state levies taxes on employers to pay for regular unemployment benefits. The federal government also imposes a tax on employers, based on

their number of employees. This federal tax is used for state and federal administration of the UI and ES programs. All funds are kept in federal accounts that, like Social Security funds, are part of the unified federal budget.

The comprehensive UI and ES

"It's a balanced package that takes into account the interests of business, labor, states, and federal government."

reform package includes improving administrative funding, repealing the FUTA (Federal Unemployment Tax Act) 0.2% surtax and reducing employer tax filing burden. In general, ICESA believes states should determine eligibility for state UI programs, not the federal government.

Mr. Gross and other officials are optimistic that action will be taken before Congress adjourns.

DWS Helps Pulp Mold Packaging Global, Inc., Fill Positions

By Tara Connolly

Pulp Mold Packaging Global, Inc., a maker of biodegradable molded plates and bowls, signed a ten year lease on a 100,00 square foot building in Salt Lake City in October 1999. The company makes biodegradable food packaging products from "farmed" materials such as bamboo and sugar cane stalks that replace themselves in months rather than from non-renewable polystyrene. This enables the product to biodegrade within 100 days.

Since signing the lease less than one year ago, PMP Global has spent time hiring employees, and getting the plant up and running. Presently, the plant has 10 machines. The goal is to have 30-40 machines producing product during all three shifts. Once fully operational, the plant will make over one million products per day.

PMP Global chose the Salt Lake site over at least five others in North America. Utah's Department of Community and Economic Development worked with PMP Global through labor market information including trends and labor force availability to bring the com-

pany to Utah.

Upon choosing Salt Lake as the site for their new manufacturing plant, PMP Global accessed the resources available to them through the Department of Workforce Services. DWS listed the jobs for all of their positions from Managers to Production line staff to administrative support. Within the first month of listing the jobs with DWS, PMP Global received close to 400 qualified applicants for the 20 positions they need to fill in order to start plant operation. A letter of appreciation was received from PMP Global thanking DWS for "the excellent service of Tara Connolly and Faye Martell," the Employer Account Representatives who provided them with resumes for all needed positions. They also set up interviews, greeted prospective employees and

made DWS facilities available for interviewing space.

On June 29, 2000, PMP Global held their official Open House. Members from the business and organizations which assisted PMP Global with their move and start-up in Salt Lake, along with local media and PMP Global's President, were on hand for the ribbon cutting and to begin "official" operation. For the cooperative effort with DWS, PMP Global plant managers were awarded



Colleen Jamison, DWS, presenting Certificate of Appreciation to Mark Backman and Atsuo Yoshioka, Pulp Mold Packaging Global, Inc.

a Certificate of Appreciation and made honorary DWS employees for the day. Presently, PMP Global in conjunction with DWS is in the process of hiring employees to work all three shifts enabling the plant to run at full operation.

Tooele County Employers On the Move

By Trina Griffith

In the Tooele County area, mass recruitments were held for Macey's, Super Wal-Mart, Freightliner LLC and others. These companies have been very happy with the applicant selection available in Tooele and the

customer service provided by the DWS Tooele Employment Center staff.

Macey's hired about 185 employees during the summer and opened their new store in July. Sharon Blatter, Manager of Macey's, gave a big thanks to the Tooele EC staff with a pizza lunch and basket of goodies.

The Super Wal-Mart was a nice surprise to the community. They hired about 200 more employees to staff their new super store. It is

their first one-stop shopping center Utah. The Tooele EC was presented a beautiful planter from Wal-Mart expressing their appreciation for housing their staff in July.

Freightliner LLC, where vehicles will be cleaned, partially disassembled and reassembled, painted, inspected, and prepared for delivery, was another great addition to the Tooele area.

To meet their hiring needs, the Tooele EC recruited about 55 employees.

Business Service Center

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Region Business Services Center is the successful, seamless consolidation of all business related programs into a one-stop center for Central Region employers. The center will provide employers with a single point of contact to access all services offered by DWS as well as information about other employer related resources.

The core of the Business Services Center is the Employment Exchange Unit whose primary job is to connect employers with qualified job seekers. During last program year the unit was successful in placing 11,384 job seekers with employers. In addition, the Business Services Center will offer an assortment of other business related resources including:

- A library of business related materials including current labor market information;
- Unemployment Insurance information, helpful recruitment and interviewing pamphlets and current business related publications;
- Internet recruitment training and assistance so you can match job applicants with job openings

through the new DWS Utah Job Net (UWORKS) system;

- Quarterly "Better Your Business Workshops" to give employers a better understanding of the services we offer, at no cost to you!



- Employer training programs including the successful "Supervising Today's Workforce" for front line supervisors;
- Quarterly luncheon seminars on current human resource issues;
- Cost Saving Programs including On-the-Job training, Employment Support and tax credits;
- Pre-Layoff/Rapid Response/Dislocated Workers Assistance;
- Veteran Services; and
- Training Rooms/Office space for new and expanding employers.

While the center will serve as an employer one-stop, we rely on our five employment centers to register, train and refer customers to job openings. Job Fairs, on-site and mass recruitments will continue to be conducted at the centers.

Important Phone Numbers:

| | |
|------------------------|--------------|
| Child Care Outreach: | 801-526-4342 |
| Contributions: | 801-526-9235 |
| DWS Administration: | 801-526-9675 |
| Job Order Fax Line: | 801-468-0070 |
| Job Order Phone Line: | 801-468-0097 |
| Labor Market Info: | 801-526-9340 |
| New Hire Reporting: | 801-526-4361 |
| Rapid Response: | 801-526-4312 |
| UI Benefit/Tax Info.: | 800-222-2857 |
| DOL Wage/Hour Div.: | 801-524-5706 |
| Utah Labor Commission: | 801-530-6801 |
| Workforce Council: | 801-468-0095 |
| WOTC Tax Credit: | 801-526-9484 |

Business Consultants:

| | |
|------------------|--------------|
| Connie Carter | 801-567-3940 |
| Sherrill Chapman | 801-269-4762 |
| Cassy Hahn | 801-536-7173 |
| Stephen Chesley | 801-524-9272 |
| Trina Griffith | 435-833-7327 |

Director's Message

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For many years employer organizations have been working with Congress to rectify this issue.

This year, under the leadership of our Executive Director Robert Gross as the President of the Interstate Conference of Employment Security Agencies (ICESA); a coalition of business leaders, labor leaders, state administrators, and the US Department of Labor have reached an agreement on reforming the financing of Unemployment Insurance and Employment Security programs.

This agreement called UI/ES Reform is before Congress in the form of legislation introduced for debate in early September, and has a good chance of being acted upon this year!

The core elements include:

- Establish statutory formulas for aggregate UI and ES grants to states and make them part of the mandatory budget as opposed to discretionary spending. Reduce employer taxes by repealing the "temporary" 0.2% federal surtax;
- Improve the extended benefits program which activates during recessions;
- Expand eligibility to UI for workers who only have recent earnings or who work part-time;
- Reduce employer wage reporting and tax filing burden.

What could this mean for Utah employers? A FUTA tax decrease by the elimination of the 0.2% surtax, as well as a better funded Unemployment and Labor Exchange service with a potential of an increase to our administrative funding of up to 40%. It also strengthens our economic base by extending benefits to more workers.

For the National Governor's Association (NGA) policy statement on these issues visit:

http://www.icesa.org/articles/template.cfm?results_art_filename=hr35

President of Guerilla Marketing International *to speak at the Utah Employer Conference January 11*

Best selling business author, Jay Conrad Levinson, is scheduled to deliver the key note address at the third annual Utah Employer Conference.

Levinson, President of Guerrilla Marketing International, lectures around the world on guerrilla business techniques for major companies, professional organizations, and universities. He is the author or coauthor of twelve books in the best-selling Guerrilla Marketing series, which have sold more than one million copies worldwide.

The conference will be held at the E-Center in West Valley City on Thursday, January 11, 2001.

The Utah Department of Workforce Services and prominent business co-sponsors will host the conference, geared for both large and small businesses. Topical information as well as innovative solutions to the myriad of complex problems that surface on a daily basis will be presented.

This year's conference is a must for businesses looking for the most up-to-date information on current employment trends and labor laws.

Experts in the field of employment and labor will present relevant topics on issues facing employers in an ever-changing

workplace and global economy. Topics will be presented in an interactive fashion, giving attendees the opportunity to ask questions. Breakout sessions this year will cover topics such as Work/Life Issues, Labor Law Updates, Workplace Violence, Transportation Issues, Behavior Based Interviewing Practices and others.

All Utah employers are welcome to attend the conference. Registration is \$65 per person, and anyone interested in registering can call the Utah Department of Workforce Services at 1-888-920-WORK statewide.

it's only a
myth...

Myth #5:

Workforce Services is an outdated government agency with little technology.

Reality:

Utah is one of the leading states in high technology employment services. Workforce Internet sites link to jobs all across America as well as extensive information on Utah jobs statewide at the click of a mouse. Early this year, our home page had 475,566 site visits. Utah's Job Bank and the electronic job board had 97,973 visits during that same time. Applicants can apply for jobs from their own homes while employers can list jobs for free, review applicant resumes, and contact job seekers without ever leaving their business.

A wealth of information is awaiting you...

www.dws.state.ut.us

Employers Participate in Job Fair...



Local employers in the Mountainland Region took this opportunity to recruit and screen potential applicants at a recent job fair. There is no cost to participate.

Utah Department of Workforce Services
Executive Director's Office
140 East 300 South
Salt Lake City, UT 84111

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Central Region Calendar...

October:

- 4th - SLEC Seminar "Hiring Right..." - Little America Hotel
- 11th - WVC / Valley Fair Mall Job Fair - Valley Fair Mall
- 18th - TEC Seminar

November:

- 8th - Better Your Business Workshop - Labor Market Info.
- 2nd, 9th and 16th - "Supervising Today's Workforce" Training

Better your Business Workshops

are free informational meetings hosted by the DWS where our local experts demonstrate and/or instruct employers on the different programs available to them through DWS. Meetings are held at 1385 S.State Street, from 7:30 a.m. - 9:00 a.m. Pre-registration is required.

Salt Lake Employer Committee (SLEC) and Tooele Employer Committee (TEC) Seminars

are luncheon presentations held quarterly. The cost is \$25/per person (SLEC), and \$15/per person (TEC). Topics include Labor Law Updates, Hiring Rights, Employer Handbooks, Recruitment & Retention, etc.

For locations, information and/or registration processes for any of the events, please visit our website at

www.dws.state.ut.us

You may also call the Employer Services Unit at (801) 468-0174, or call your local DWS Business Consultant listed on page 4.